

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT

OF

PERRY COUNTY PORT AUTHORITY
PERRY COUNTY, INDIANA

January 1, 2008 to December 31, 2009



FILED
12/28/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
General Manager (Replaced CEO)	Pete Jesperson	04-01-10 to 12-31-10
Chief Executive Officer (Position Eliminated 03-31-10)	Richard L. Neumann	01-01-08 to 03-31-10
Chairman of the Board	Alvin C. Evans	01-01-08 to 12-31-10
Bookkeeper	Michael O. Elaman, CPA	01-01-08 to 12-31-10
Treasurer of the Board	Ronald Voges, Sr.	01-01-08 to 12-31-10
Manager of Customer Service	Stephen K. George	01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PERRY COUNTY PORT AUTHORITY, PERRY COUNTY, INDIANA

We have examined the financial information presented herein of the Perry County Port Authority (Port Authority), for the period of January 1, 2008 to December 31, 2009. The Port Authority's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Port Authority for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

October 26, 2010

PERRY COUNTY PORT AUTHORITY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 1,106,726	\$ 2,312,701	\$ 2,715,110	\$ 704,317
Construction	<u>-</u>	<u>2,248,352</u>	<u>102,000</u>	<u>2,146,352</u>
Totals	<u>\$ 1,106,726</u>	<u>\$ 4,561,053</u>	<u>\$ 2,817,110</u>	<u>\$ 2,850,669</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 704,317	\$ 1,588,403	\$ 1,781,121	\$ 511,599
Construction	<u>2,146,352</u>	<u>15,592</u>	<u>1,036,438</u>	<u>1,125,506</u>
Totals	<u>\$ 2,850,669</u>	<u>\$ 1,603,995</u>	<u>\$ 2,817,559</u>	<u>\$ 1,637,105</u>

The accompanying notes are an integral part of the financial information.

PERRY COUNTY PORT AUTHORITY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Port Authority was established under the laws of the State of Indiana. The Port Authority provides the following services: transportation and storage services for local industries. The Port Authority operates under a governing board appointed by the Board of County Commissioners of Perry County.

Note 2. Fund Accounting

The Port Authority uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. The Port Authority has no funds for which property taxes are received.

Note 4. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Port Authority to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Pension Plan

The Port Authority contributes to the United States Railroad Retirement Plan defined benefit pension plan. No actuarial information is available for this plan. Other information about the plan may be obtained from the U.S. Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092, and phone number (312) 751-4300.

Note 6. 2008 Revenue Bond Issue

The Port Authority issued \$2,200,000 in Revenue Bonds on January 31, 2008, in order to finance improvements to its railroad lines. The Port Authority's debt service payments for the years 2008 and 2009 were \$79,500 and \$156,975, respectively.

PERRY COUNTY PORT AUTHORITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Perry County Port Authority</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Construction-in-Progress	\$ 1,118,807
Capital assets, being depreciated:	
Infrastructure	7,314,783
Buildings	48,622
Improvements other than buildings	326,914
Machinery and equipment	<u>1,745,603</u>
 Total governmental activities, capital assets being depreciated	 <u>9,435,922</u>
 Total governmental activities, capital assets	 <u>\$ 10,554,729</u>

PERRY COUNTY PORT AUTHORITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Port Authority has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Loans payable:		
2000 Loan for Railway Improvement	\$ 75,000	\$ 50,000
Bonds payable:		
2008 Railroad Improvement Bonds	<u>2,110,000</u>	<u>164,163</u>
Total governmental activities debt	<u>\$ 2,185,000</u>	<u>\$ 214,163</u>

PERRY COUNTY PORT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on October 26, 2010, with Pete Jespersen, General Manager; Richard L. Neumann, former Chief Executive Officer; Michael O. Elaman, CPA, Bookkeeper; P. William Goffinet, Vice-Chairman of the Board; and Stephen K. George, Manager of Customer Service. Our examination disclosed no material items that warrant comment at this time.